

**Neighborhood Advisory Group (NAG) Meeting
San Jose City Hall Wing, room 118
May 20, 2009**

6:32 pm- Agenda Item I-Welcome and Chair's Remarks

- Don Gagliardi welcomed everyone. He explained that this meeting would be devoted to budget discussion and led attendee introductions.
- Mayor Reed provided an overview of the budget process, the budget deficit and survey results supporting public safety as a top priority.

Agenda Item II- skipped

6:45 pm- Agenda Item III- City of San Jose Proposed 2009-2010 Budget

- Councilman Liccardo thanked the mayor for his attendance.
- Councilman Liccardo also thanked those who attended the previous evening's Council meeting to voice concerns regarding Washington Community Center and bail bonds locations. Attendance matters and budget priorities are shaped by community input. The state demands on City financial contributions are not yet known and will affect the budget.
- Don Gagliardi introduced Norberto Duenas, Deputy City Manager for the proposed budget presentation.
- Norberto Duenas led a slide presentation outlining the current budget demands, funding, deficit and forecasts.

Don Gagliardi started the Budget Q&A with the NAG leaders:

- **Joan Rivas-Cosby, Q:** What is the possibility of forging private/public collaborations in time to save community priorities? **A:** Collaborations are being worked on currently and could be in place before budget is set.
- **Debbie Wade, Q:** How many City jobs will be eliminated? **A:** Approx. 150, not 500 as listed, due to attrition and unfilled positions.
- **Paul Higgins, Q:** What would the savings be from wage freezes? And if agreed to would the need for lay-offs? **A:** \$12-13 million savings and would reduce the need for lay-offs.
- **Don Gagliardi, Q:** What would it take to have zero reduction in services? **A:** 15% salary reductions across the board would be required to avoid service reductions. 1% salary reduction= \$5.5 million savings, 2% salary reduction= \$11 million savings.
- **Paul Higgins, Q:** Supports no lay-offs from the police department. **A:** Reductions will come from attrition and eliminated units (mounted unit) will be re-assigned.
- **William, Q:** Review above/below the line accounting items, explain deficits in non-economic downturn years? **A:** Work is being done to

develop economic development strategies. **Councilman Liccardo:** Costs continue to outpace revenues and City will experience a deficit again next fiscal year.

- **Tina Morrill:** Supports 5% temporary wage freeze. Parks, libraries and pools need to remain open for kids. Friends of Mounted Police Unit have offered to financially support the Mounted Unit to avoid elimination.
- **Dennis Cunningham:** Believe the financial forecast to be overly optimistic. Supports “shared pain” between community and City staff.
- **Marie:** Without libraries, where will the children go? We need park rangers to keep the parks safe. Supports salary cuts from the City’s highest wage earners.

Q&A from community members:

- **Aurelia:** As a retired city employee, politicians are to blame for deficit, not City employees. Offended at accusation that unions are to blame.
- **Estelle:** Suggest City pension plan be modeled on federal pension plan. Private sector CEOs take pay cuts to avoid layoff, suggest city consider this option.
- **Councilman Liccardo:** An announcement coming this week for Council member salary cuts. Reminder that City employee benefits are federally protected.
- **Claudia:** Some City employees have already made sacrifices, perhaps there is federal stimulus money that can be tapped into?
- **Brad:** We must simplify and evaluate needs vs. nice to have items. A performance audit should be performed before any staffing cuts are made.
- **Beth Shafran-Mukai:** What other options are there for cost savings beside wage controls? Furloughs? It’s understood that only bad and worse options exist, but the conversation with City employees cannot be adversarial.
- **Bob, Q:** Is it possible to redistribute redevelopment money? **A:** Redevelopment money has restrictions as to its use. It contributes \$4-5 million to the general fund and funds the BEST gang task force.
- **Bobby Lopez:** Police Officer Association (POA) rep states that the police union has made concessions and should not be demonized. Suggests fees be re-evaluated for convention center parking, fair market fees be charged for rental properties and airport hrs extended by ½ an hour to attract more vendors as possible revenue generators. Suggests that City reconsider soccer stadium and San Pedro Square projects and increase small business opportunities.
- **Don Gagliardi:** 12% of budget is for resident services and 70% for salaries and benefits. Requests proposal from POA for budget savings for future discussions.
- **Kerry Jansen:** Street restoration can be paid from redevelopment money. Requests that fire station 30 not be closed. Suggests an evaluation of fire

calls to county jail and have county cover their medical needs with an on-site nurse.

- **Councilman Liccardo:** Proposals are underway to find ways to save fire station 30. EMS (emergency medical service) call responses are dictated by City rules.
- **Jesse:** We need to show care and respect for the future of our youth by keeping community centers open. Cut management and desk jobs in fire and police departments to avoid frontline reductions.
- **Rozalyn Q:** Is there a hiring freeze? **A:** No. New hires are primarily for grant-funded positions. Suggests pay cuts should start at the top. **Q:** Are elected officials taking a pay cut? **A:** Yes, announcement being made tomorrow.
- **Dee Urista:** Keep community centers. Explain tier I vs. tier II cuts.
- **Councilman Liccardo:** All budget decisions will be subject to public hearings. We are still waiting for \$\$ decisions from federal gov't. Council staff are taking a 15% pay cut and in the D3 office, Sharon Ngo Tran will not be replaced.
- **Rudy Martinez Q:** When will cuts be made? We need to do what's good for the City, not just for us. Thank you Sam for listening to us! **A:** June 15, next budget meeting, June 23 final budget meeting.
- **Chris Russell Q:** Explain the three funds. **A:** General fund pays City operating costs, Capital fund is for infrastructure projects and Special fund (restricted use by state and federal law) is for housing and airport. **Q:** What is RDA? **A:** A percentage of property tax revenue for capital fund items.
- **Don Gagliardi:** We need to change the budget structure. It should not be services vs. salaries every year.
- **Aaron:** Keep Washington Community Center, it saved my life. It provides an alternative to gangs.
- **Paul Higgins:** As a community we need to stay involved for change to happen. Keep community centers open to avoid future youth problems.

7:10 pm- Agenda Item IV- Final Announcements and Review Action Items

- Don Gagliardi reminded folks that the Council meets every other Tuesday evening and public input is valuable.

8:40 pm- Meeting adjourned.

Next meeting date: Wednesday, June 17, 2009, 6:30-8:00 pm, City Hall meeting room 118-119